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ELYSIAN CONSULTING GROUP

YOUR COMPLIANCE PARTNER IN THE UAE

WEEKLY NEWSLETTER

UAE FINANCE UPDATE

Your guide to key finance and compliance updates in the UAE.

INSIGHTS

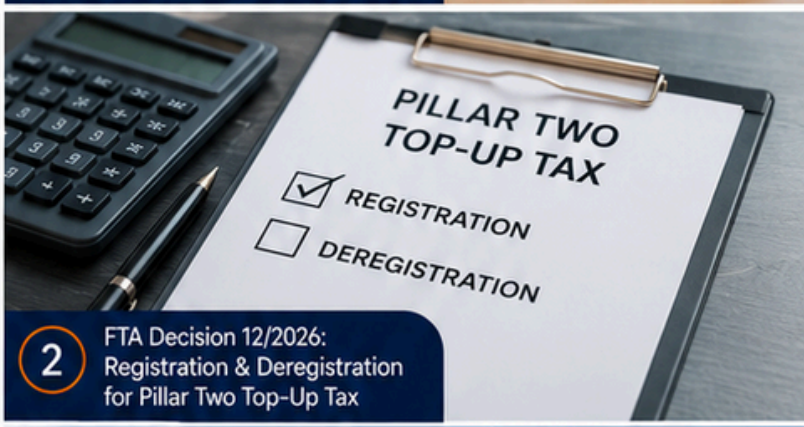
1. SBR Extended to 2029: MoF Just Gave Small Businesses Three More Years
2. FTA Decision 12/2026: Registration & Deregistration for Pillar Two Top-Up Tax
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SBR EXTENDED TO 2029: MOF JUST GAVE SMALL BUSINESSES THREE MORE YEARS

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Before vs After Ministerial Decision 131/2026

- **BEFORE· MD 73 OF 2023**
  SBR ended 31 Dec 2026
  AED 3M threshold applied only to Tax Periods commencing on or after 1 June 2023 and ending on or before 31 December 2026 – a three-year window.

- **AFTER· MD 131 OF 2026**
  SBR runs to 31 Dec 2029
  Same AED 3M threshold, same rules – now stretched to Tax Periods ending on or before 31 December 2029. Three additional filing cycles.



In one of the most business-positive tax decisions of the year, the UAE Ministry of Finance has issued **Ministerial Decision No. 131 of 2026** (dated 29 July 2026, announced 7 August) – extending the **Small Business Relief (SBR)** window by three full years. The AED 3 million revenue threshold now applies to every tax period ending **on or before 31 December 2029** – up from the previous cut-off of 31 December 2026. For eligible SMEs, this is effectively **0% Corporate Tax for three more filing cycles.**

Before vs After Ministerial Decision 131/2026

- **Existing SBR claimants:** Every SME already electing SBR for FY24 and FY25 can keep electing through FY29 – three more clean 0% years, subject to the AED 3M revenue test each period.

- **Startups incorporating now:** Businesses launching in 2026 or 2027 can plan their first four years of CT compliance with SBR in view – a materially different position from the pre-131 outlook.

- **Free Zone SMEs weighing QFZP vs SBR:** The extended horizon materially changes the QFZP-vs-SBR analysis. For low-margin FZ SMEs that struggle to build the substance file, SBR is now a credible multi-year alternative.

Three Things Advisors Should Do This Week

- **Refresh client CT-planning models:** Any SME model built on "SBR ends 2026" needs re-projecting. Revenue trajectories that were forecast to exceed AED 3M before 2027 may now be worth actively managing to stay under the threshold longer.

- **Re-open the QFZP-vs-SBR conversation:** For FZ clients on the QFZP borderline, model the SBR path through 2029 vs the QFZP substance-file cost. The economics may have flipped.

- **Send a client-facing note today:** This is a client-outreach event. A one-page note titled "SBR just got extended to 2029 – here's what it means for you" is the fastest way to convert this into a Q3 conversation.

MoF just handed the SME community three additional years of 0% Corporate Tax under SBR. The threshold, the mechanics and the election process are unchanged – only the sunset has moved from 2026 to 2029. For every advisor with SMEs in the book, this is the client-outreach opportunity of the month.

FTA DECISION 12/2026: REGISTRATION & DEREGISTRATION FOR PILLAR TWO TOP-UP TAX

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The FTA has issued **Decision No. 12 of 2026** (issued 16 July 2026, effective for Fiscal Years starting on or after 1 January 2025) – the operating rules for how in-scope MNE Group entities **register and deregister for UAE Top-Up Tax** under Cabinet Decision 142 of 2024 (the UAE DMTT). This is the first hard compliance step in the UAE's Pillar Two regime – and the **30 November 2026 registration deadline** sits inside this Q4.

The Two Deadlines That Matter

REGISTRATION
7 months from end of first in-scope FY
Transition rule: Entity with FY ending BEFORE 30 April 2026 must register on or before 30 November 2026.

DEREGISTRATION
6 months from cessation / leaving MNE Group
Transition rule: Entity ceasing to exist BEFORE 30 June 2026 must deregister on or before 31 December 2026.

What Advisors Should Do Before Q4

- **Run an in-scope screen across the client book:** Any UAE entity owned (directly or indirectly) by a parent group with ≥ EUR 750M consolidated revenue needs a Pillar Two impact assessment now. December year-ends are already inside the 30 November 2026 registration window.
- **Coordinate with group tax:** For multinationals, the UAE DMTT registration must line up with the group's Global Anti-Base-Erosion (GloBE) reporting. Start the coordination conversation with the group's tax function this quarter.
- **Map cessations and restructurings:** Any UAE entity of an MNE Group cessating or being sold before 30 June 2026 must file the deregistration by 31 December 2026. Miss it and the registration stays live with all its filing obligations.

Pillar Two in the UAE is now operational at the compliance layer. In-scope MNE Group entities with December year-ends have a hard 30 November 2026 registration deadline – 4 months away. This is a small population but a high-impact one; every advisor to a globally-owned UAE entity needs a Pillar Two screen on file before the end of Q3.

Who's in Scope

1. **MNE Groups with consolidated revenue ≥ EUR 750M:** The DMTT applies to UAE constituent entities of an MNE Group meeting the Pillar Two consolidated-revenue threshold in at least two of the prior four fiscal years.
2. **Every in-scope UAE Constituent Entity:** Each UAE-tax-resident entity of the group must register individually – this is not a group-wide filing. Free Zone, mainland, and QFZP entities are all captured if they fall within Article 1.1 of the annexure.
3. **Cessation triggers deregistration:** An entity that ceases to exist OR that leaves the MNE Group and falls out of scope must apply for Top-Up Tax deregistration within 6 months of that event.

Deregistration Housekeeping – Non-Negotiable

1. **Full settlement first:** No deregistration unless all Top-Up Tax and penalties are settled and all Top-Up Tax Returns and Pillar Two Information Returns are filed.
2. **Registration stays valid until the earliest of:** date of cessation, end of the FY in which the entity leaves the MNE Group, or another date the FTA determines. Plan cessation timing accordingly.

ABU DHABI PRIME OFFICE AVAILABILITY 0.1%, DUBAI GRADE A RENTS +26%: THE COMMERCIAL REAL-ESTATE SQUEEZE

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Abu Dhabi vs Dubai – The Q2 Office Numbers

ABU DHABI· Q2 2026
Prime availability 0.1%· vacancy 1.4%

- Prime rents +11.7% YoY
- Grade A +5.1%, Grade B +4.2% YoY
- Rental contract registrations +5.4% YoY
- 38,000 sqm A-grade delivered in Q2, 57,000 sqm in pipeline

DUBAI· Q2 2026
Grade A +26.2%· Grade B +31.5% YoY

- Strong occupier demand for premium space
- Rental contract registrations +24.6% YoY
- Supply constrained; new stock lagging demand



JLL's Q2 2026 office-market data – surfaced by **Khaleej Times on 6 August** – tells a story every CFO with a UAE office footprint is now living. **Abu Dhabi prime office availability has collapsed to 0.1%;** overall Abu Dhabi office vacancy is just 1.4%. Meanwhile, **Dubai Grade A rents jumped 26.2% YoY and Grade B rents 31.5%.** This is a supply-side squeeze – and it is showing up in P&Ls now.

What's Driving It

- **Corporate-relocation demand:** Global HQs, family offices and regional MENA hubs continue to land in Abu Dhabi and Dubai. Prime and Grade A stock is being absorbed faster than it can be delivered.
- **Abu Dhabi supply lag:** 38,000 sqm of Grade A delivered in Q2 and 57,000 sqm in the pipeline is not close to matching demand. Availability at 0.1% is a hard cap – some tenants can no longer physically find suitable space.
- **Rent freeze softens future rises:** Abu Dhabi's rent-freeze regulation (introduced June 2026) will limit rental increases in the short-to-medium term for existing leases on previously rented units – but new leases and premium new supply remain uncapped.

What It Means for Clients

- **Occupiers with 2026–27 lease events:** Budget refresh required. Grade A/B rent rises of 26–31% in Dubai and prime rents +11.7% in Abu Dhabi materially move the annual property-cost line – start renewal negotiations early.
- **Landlords and REITs:** Yields improving on the commercial side even as residential Q2 volumes softened. Portfolio re-weighting toward Grade A commercial deserves consideration.
- **New entrants and SME expansions:** Physical space is now the binding constraint on setup timing in Abu Dhabi. Flex-office and Free Zone shared-workspace options should be modelled alongside conventional leases in every 2026–27 growth plan.

Three signals for Q3–Q4: (1) how much of the 57,000 sqm Abu Dhabi pipeline actually delivers on time; (2) whether Dubai Grade B rent growth (+31.5%) starts to spill into Grade C; (3) whether the Abu Dhabi rent freeze gets extended – if so, 2027 lease negotiations tilt harder toward landlords on new supply.

YOUR COMPLIANCE CALENDAR

Refreshed for the next **11** months.

DATE	WHAT'S DUE / WHAT KICKS IN
28 Aug 2026 (Fri)	VAT return due for the quarter ended 31st July 2026
30 Sep 2026 (Wed)	Corporate Tax return due (31 Dec 2025 year-end). Q3 2021 VAT credits expire.
28 Oct 2026 (Wed)	Quarterly VAT return for Jul–Sep 2026 due (FTA portal deadline).
30 Oct 2026 (Fri)	ASP appointment deadline for businesses with revenue ≥ AED 50M (extended from 31 July 2026).
30 Nov 2026 (Mon)	NEW: Pillar Two Top-Up Tax registration deadline for in-scope MNE Group entities with FY ending before 30 April 2026 (FTA Decision 12/2026).
31 Dec 2026 (Thu)	Deadline for Top-Up Tax deregistration where entity ceased before 30 June 2026. Pre-2021 VAT credits and Pillar Two transitional-relief eligibility close.
1 Jan 2027 (Fri)	Mandatory e-Invoicing go-live for businesses ≥ AED 50M. Per-invoice penalties begin.
31 Mar 2027 (Wed)	ASP appointment deadline for businesses < AED 50M; government entities also.
1 Jul 2027 (Thu)	Mandatory e-Invoicing go-live for businesses < AED 50M.
31 Dec 2029 (Mon)	NEW: Small Business Relief window closes (extended by MoF MD 131/2026 from 31 Dec 2026).

FREE CORPORATE TAX FILING READINESS

LET'S TALK

Book a free 30-minute Corporate Tax Filing Readiness

If you have a 31 December 2025 year-end, your CT return is due 30 September 2026 – about four months away. We'll review your trial balance, transfer-pricing exposure, QFZP positioning, related-party schedules and the readiness of your working-paper file. You leave with a written gap list and a clear filing plan – no obligation

To book, write to me directly:

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